

BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner

Arizona Corporation Commission

DOCKETED

OCT 26 2000

DOCKETED BY	<i>[Signature]</i>
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IN THE MATTER OF THE APPLICATION OF)
PANDA GILA RIVER, L.P. OR THEIR)
ASSIGNEE(S), IN CONFORMANCE WITH THE)
REQUIREMENTS OF ARIZONA REVISED)
STATUTES 40-360.03 AND 40-360.06, FOR A)
CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING THE)
CONSTRUCTION OF NATURAL GAS-FIRED,)
COMBINED CYCLE GENERATING PLANT,)
SWITCHYARD, AND RELATED FACILITIES)
IN THE TOWN OF GILA BEND, MARICOPA)
COUNTY, ARIZONA, LOCATED IN)
SECTIONS 8, 17, 20, AND 21, TOWNSHIP 5)
SOUTH, RANGE 4 WEST, GILA AND SALT)
RIVER BASE AND MERIDIAN.)

CASE NO. 99

DOCKET NO. L-00000Q-00-0099

DECISION NO. 62970

AMENDED ORDER

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee"), held a public hearing at the Best Western Executive Park Downtown Hotel, 1100 North Central Avenue, Phoenix, Arizona, on March 30, 2000, in conformance with the requirements of Arizona Revised Statutes § 40-360 *et seq.*, for the purpose of receiving evidence and deliberating on the Application of Panda Gila River, L.P. ("Panda" or the "Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case.

The following members or designees of members of the Committee were present for the deliberations and vote on the Application at the March 30, 2000 hearing:

Charles S. Pierson

Chairman, Designee for the Attorney General of Arizona

Steve Olea

Designee for the Chairman of the Arizona Corporation Commission

1	Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce
2		
3	Dennis Sundie	Designee for the Director for the Department of Water Resources
4	Wayne Smith	Appointed Member
5	Robert C. Berger	Appointed Member
6	Sandie Smith	Appointed Member

7 The Applicant was represented by C. Webb Crockett and Karen E. Errant of Fennemore
8 Craig, P.C. Staff of the Arizona Corporation Commission ("Staff") noticed their intervention as a
9 party, and were represented by Teena Wolfe. The Arizona Center for Law in the Public Interest (the
10 "Center") noticed its intervention as a party. There were no other interventions or limited
11 appearances.

12 At the conclusion of the hearing, the Committee, having received the Application, the
13 appearance of Panda and Staff, the evidence, testimony and exhibits presented by Panda and Staff,
14 and being advised of the legal requirements of Arizona Revised Statutes §§ 40-360 to 40-360.13,
15 upon motion duly made and seconded, voted to grant Panda the following Certificate of
16 Environmental Compatibility (Case No. 99):

17 Panda Gila River, L.P. and its assignee(s) hereby are granted a Certificate of Environmental
18 Compatibility authorizing construction of four natural gas-fired, combined cycle generating units
19 each of a nominal 520 megawatts, together with related infrastructure and appurtenances, including
20 intra-plant transmission and a switchyard, which generating unit shall be located in Maricopa
21 County, Arizona, approximately 75 miles southwest of Phoenix, within the jurisdiction of the Town
22 of Gila Bend.

23 The Certificate is granted upon the following conditions:

- 24 1. The Applicant and its assignees shall comply with all existing applicable air and
25 water pollution control standards and regulations, and with all existing applicable
26 ordinances, master plans and regulations of the State of Arizona, the County of
Maricopa, the Town of Gila Bend, the United States, and any other governmental
entities having jurisdiction.

27 ...

28 ...

2. This authorization to construct the Project will expire five (5) years from the date the Certificate is approved by the Arizona Corporation Commission unless construction is completed to the point that the project is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the Project owner may request that the Arizona Corporation Commission extend this time limitation.
3. Applicant's project having two (2) or more approved transmission lines emanating from its power plant's transmission switchyard and interconnecting with the existing transmission system. This plant interconnection must satisfy the single contingency outage criteria (N-1) without reliance on remedial action such as generator unit tripping or load shedding.
4. Applicant providing to the commission a technical study regarding the sufficiency of transmission capacity to the plant. Applicant agrees to satisfy this condition for its facility prior to commencement of construction, and to provide an updated technical study regarding the sufficiency of transmission capacity to the plant not more than 12 months prior to the commercial operation of the plant.
5. Applicant submitting to the Commission an interconnection agreement with the transmission provider with whom it is interconnecting.
6. Applicant or one of its affiliates becoming a member of WSCC, or its successor, and filing a copy of its WSCC Reliability Criteria Agreement or Reliability Management System (RMS) Generator Agreement with the Commission.
7. Applicant using commercially reasonable efforts to become a member of the Southwest Reserve Sharing Group, or its successor, thereby making its units available for reserve sharing purposes, subject to competitive pricing.
8. Conditions 3-7 above shall automatically terminate if they or substantially similar conditions are not included in future generating facility Certificates of Environmental Compatibility as approved by the Commission or upon any subsequent amendment or invalidation by the Commission or a reviewing court.
9. If human remains and/or funerary objects are encountered during the course of any ground disturbing activities related to the development of the subject property, Applicant shall cease work and notify the Director of the Arizona State Museum in accordance with A.R.S. § 41-685.
10. Applicant shall implement a land management and reclamation plan in accordance with the requirements of the Annexation-Development Agreement to be executed between Applicant and the Town of Gila Bend.


The Arizona Corporation Commission ("Commission") has considered the grant by the Committee of a Certificate of Environmental Compatibility to Panda, and finds that the provisions of A.R.S. § 40-360.06 have been complied with, and, in addition, that documentary evidence and testimony was presented concerning the need for the Panda Gila River Project. Credible testimony was presented concerning the generation deficiency in the Phoenix and Tucson load pockets, the need to locate additional generation within the Phoenix and Tucson load pockets in order to

1 minimize transmission constraints and ensure reliability of the transmission grid, and the need for
2 the Panda Gila River Project in relation to other generating plants planned for Arizona. This
3 evidence included the 1999 Western States Coordinating Council Forecast which indicated a
4 Phoenix and Tucson area load in excess of generation of 6000 MW's by 2002 and in excess of 8500
5 MW's by 2008. Even with the currently approved projects totaling 3060 MW's, exclusive of the
6 Panda project, there was evidence that the combined load for Phoenix and Tucson would have a
7 generation deficiency. In that regard, Panda will have wholesale power available during peak
8 periods, during the first two years following commercial operations, for sale to Arizona customers,
9 to the extent that Arizona customers have not previously contracted for long term power from
10 Panda's Gila River Plant in order to assist the maximization of Arizona system operations in open
11 market, arm-length transactions. Accordingly, pursuant to A.R.S. § 40-360.07(B), the Commission
12 has balanced, in the broad public interest, the need for an adequate, economical and reliable supply
13 of electric power with the desire to minimize the effect thereof on the environment and ecology of
14 this state. The Commission therefore concludes that the Certificate should be confirmed.

15 IT IS THEREFORE ORDERED that the Certificate of Environmental Compatibility granted
16 to Panda Gila River, L.P. by the Arizona Power Plant and Line Siting Committee on April 24, 2000.
17 is hereby approved as modified hereinabove.

18 IT IS FURTHER ORDERED that Decision No. 62730 is approved as amended herein
19 and as amended shall become effective immediately.

20 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

21 

22 Chairman

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22 Commissioner

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22 Commissioner

23 In Witness Hereof, I, Brian C. McNeil, Executive
24 Secretary of the Arizona Corporation Commission, set
25 my hand and cause the official seal of this
26 Commission to be affixed, this 20th day of
27 October, 2000.

28 By: 

Brian C. McNeil
Executive Secretary

Dissent: _____